

23 JULY 2020

# 2Q2020 & 1H2020 Results Presentation



**FUTURE  
OF FINTECH**

**TOWARDS GREATER INCLUSION  
IN WEALTH MANAGEMENT**

iFAST

# Disclaimer

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# Key Summary

- The Group reported a record quarterly net profit of S\$4.53 million in 2Q2020, an increase of 84.7% compared to 2Q2019. This was achieved on the back of a 21.2% year-on-year (YoY) increase in net revenue, and a 25.8% YoY increase in gross revenue. For 1H2020, the Group's net profit grew 101.4% YoY supported by a 23.1% YoY increase in net revenue and a 33.2% YoY growth in gross revenue.
- The improvement in the Group's business shows that the Group has been a beneficiary of increased digital adoption in the wealth management industry. The improvements have been seen for both the B2C and B2B businesses.
- Net inflows of client assets registered a record of S\$1.25 billion in 1H2020, pushing the Group's assets under administration ("AUA") from S\$10.00 billion as at 31 December 2019 to a new record of S\$11.15 billion as at 30 June 2020.
- Going forward, an acceleration of digital adoption in the wealth management industry will continue to be a positive factor underpinning the growth prospects of the Group. The Group will continue to work hard on cementing its position as a leading Fintech wealth management platform.
- Barring unforeseen circumstances, the Group expects the full year 2020 performance to show healthy growth in profits and revenues compared to 2019.
- For the second interim dividend for 2Q2020, the Directors declared a dividend of 0.75 cents per ordinary share (second interim dividend for 2Q2019: 0.75 cents per ordinary share).

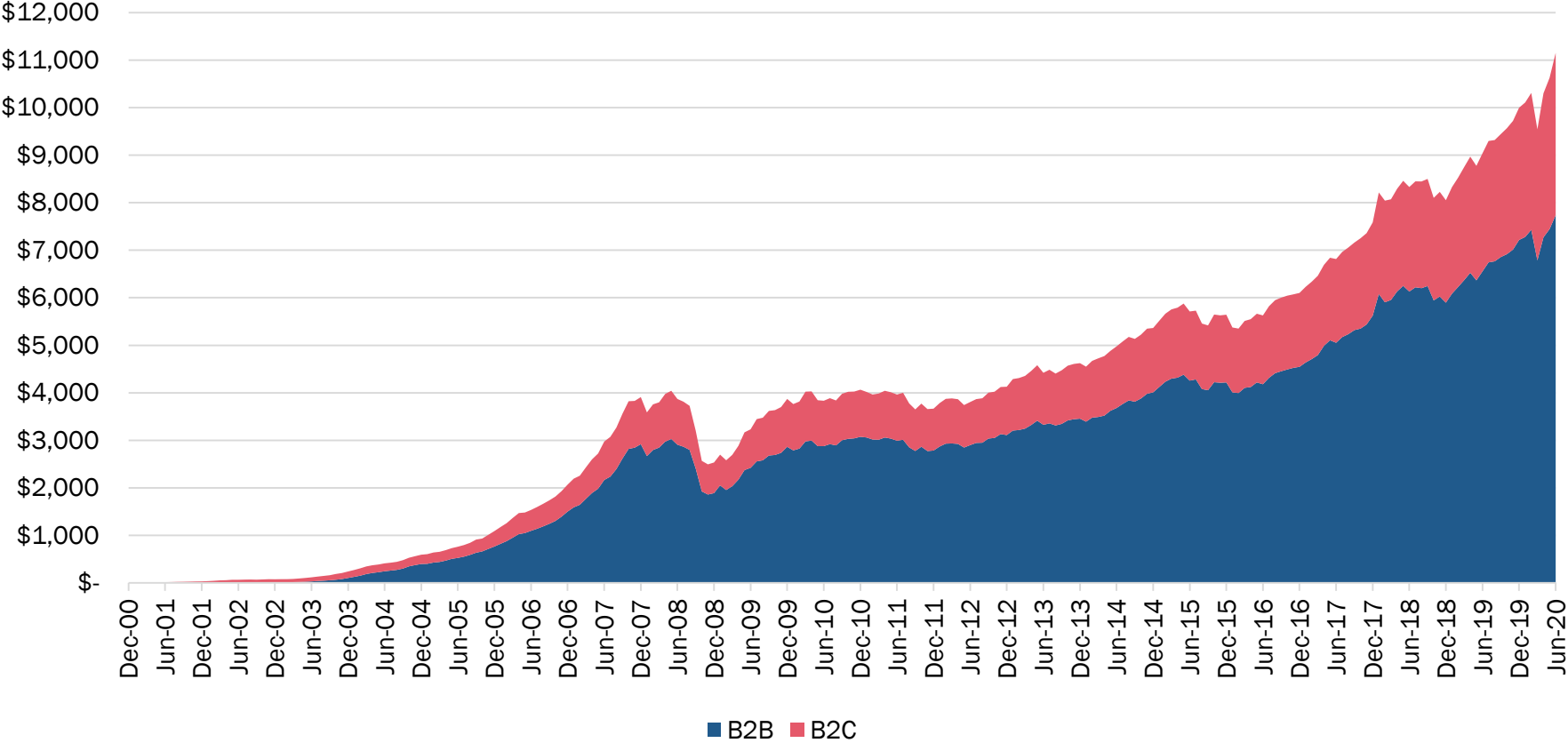
# Beneficiary of Increased Digital Adoption in the Wealth Management Industry

- The wealth management industry is undergoing rapid change driven by the acceleration in digital adoption and transformation in recent times.
- As a leading Fintech wealth management platform in Asia, the increase in the pace of digitalisation in the wealth management industry has led to a rise in the Group's business volumes across both the B2C and B2B divisions.
- Net inflows of client assets into the Group's platforms hit a record high of S\$656 million in 2Q2020.
- Subscription ex-switching of the Group grew to a record high of S\$2.39 billion in 2Q2020, and strong growth was seen in the total sales ex-switching of the Singapore operation in 1H2020.
- Greater digital adoption in the wealth management industry will continue to bode well for the Group's online-based business model going forward.

# Group AUA grew 11.5% YTD and 23.4% YoY to S\$11.15 billion as at 30 June 2020

S\$ million

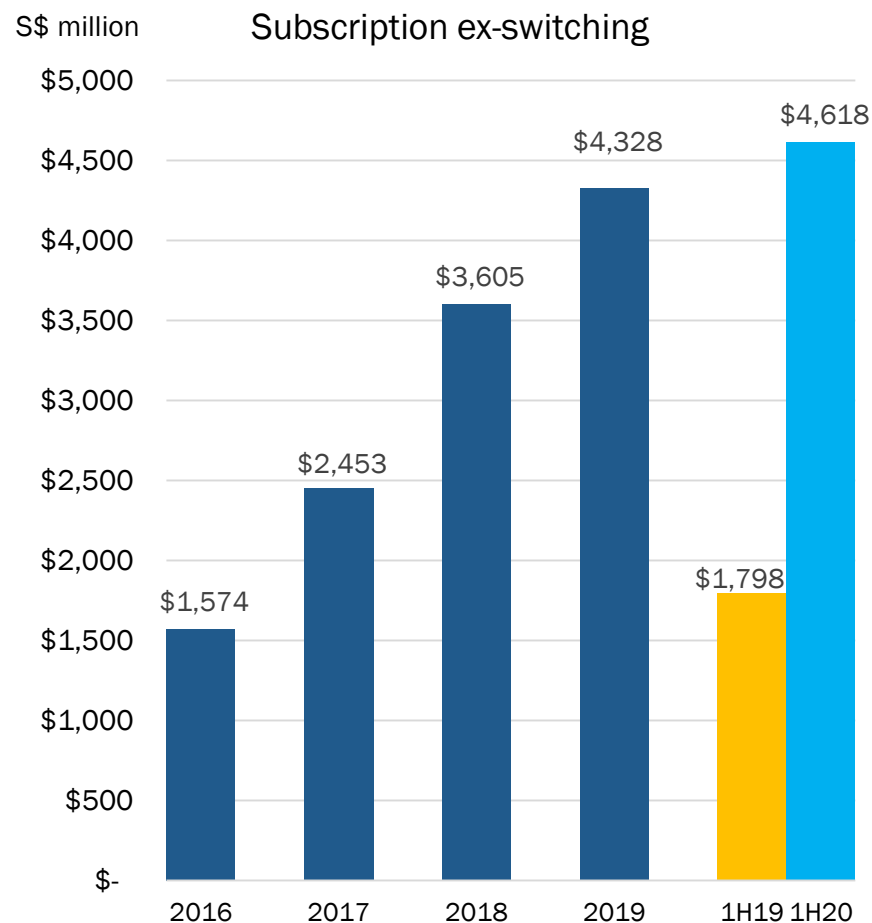
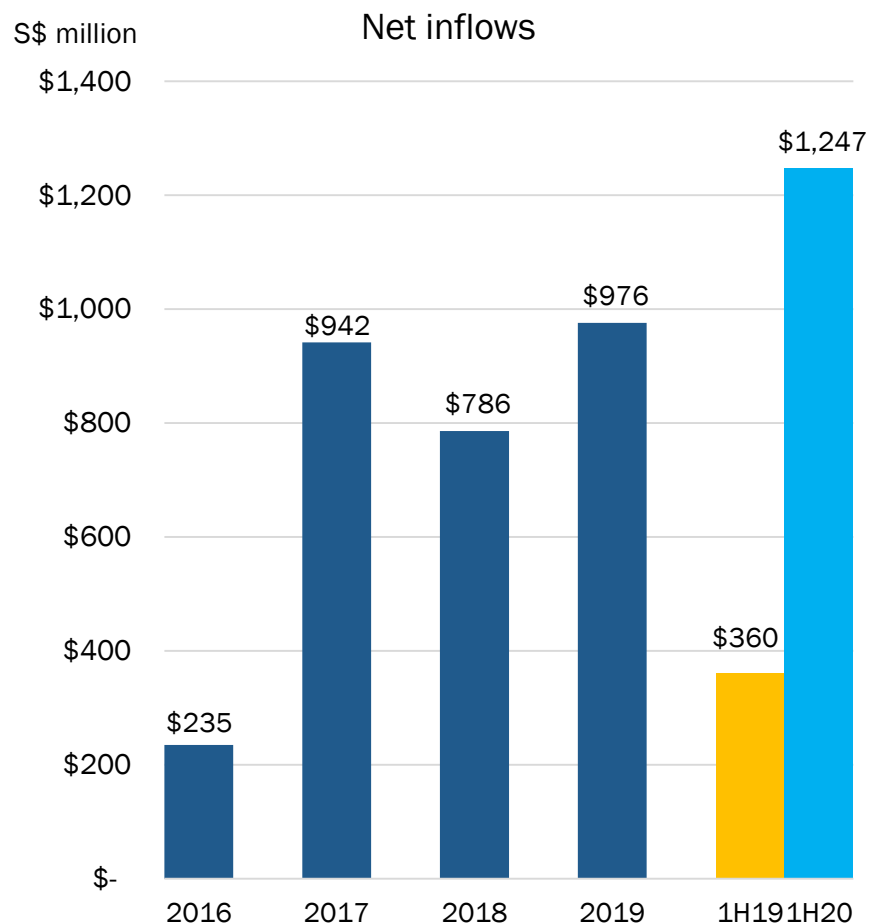
AUA (as at 30 Jun 2020): S\$11.15 billion<sup>1</sup>



**Note:**

1. The Group's AUA as at 30 June 2020 includes its effective 38.0% share of the India Business.

# Net inflows & Subscription ex-switching

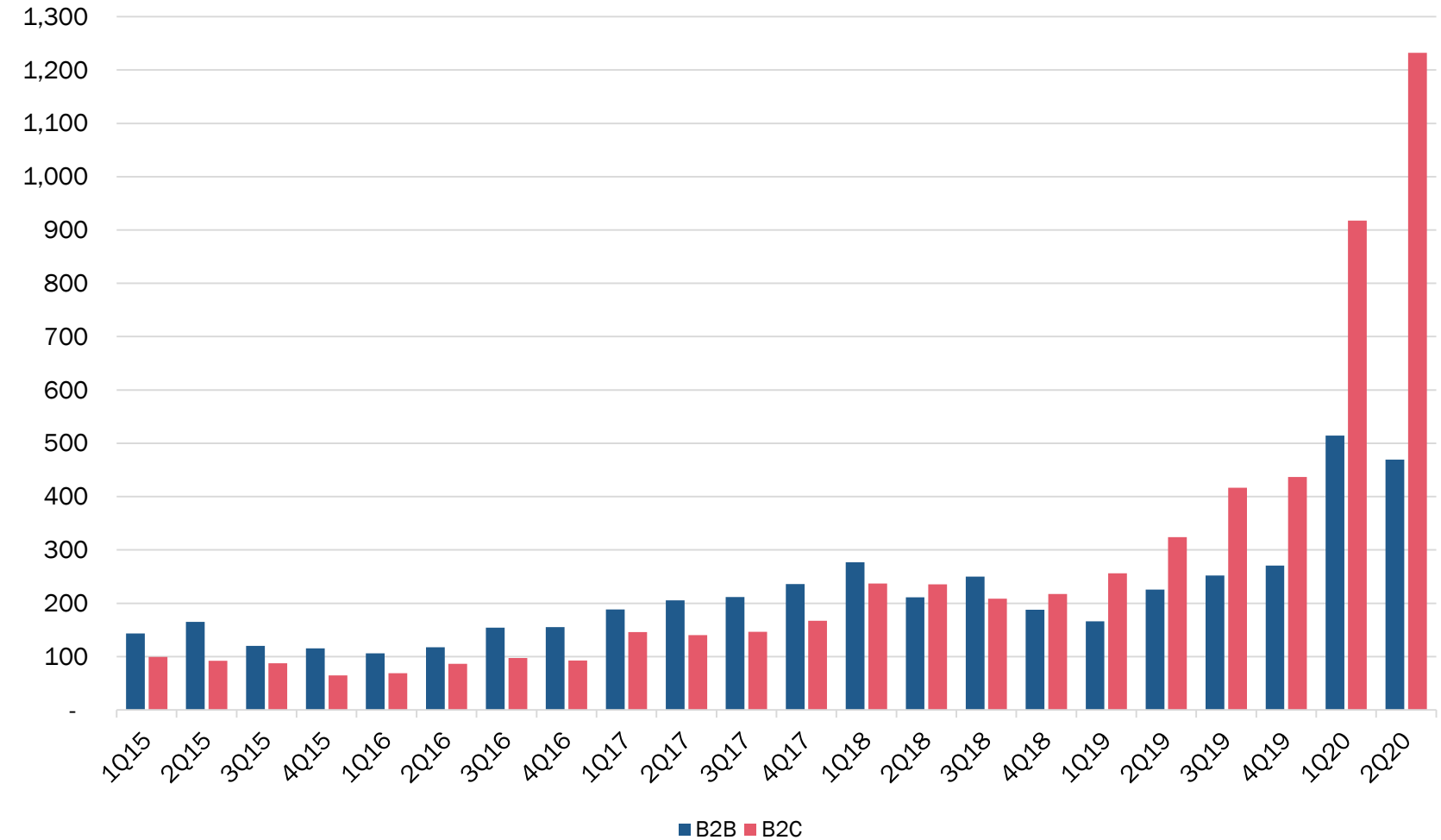


**Notes:**

1. Net sales stood at S\$590 million in 1Q2020 and S\$656 million in 2Q2020.
2. Subscription ex-switching stood at S\$2.23 billion in 1Q2020 and S\$2.39 billion in 2Q2020.

# iFAST Singapore Total Sales ex-switching

S\$ million





# Financial Results



# Financial Results for Group (2Q2020 vs 2Q2019)

S\$ (Million)	2Q2019	2Q2020	YoY change (%)
Revenue	30.64	38.55	+25.8
Net revenue	16.38	19.84	+21.2
Other income	0.47	1.82	+285.8
Expenses	13.89	15.89	+14.4
Net finance income / (costs)	0.02	-0.02	NM
Share of results of associates, net of tax	-0.11	- <sup>1</sup>	-97.3
Profit before tax	2.87	5.74	+99.8
Profit after tax	2.39	4.48	+87.4
Net profit attributable to owners of the Company	2.45	4.53	+84.7
EPS (cents)	0.91	1.67	+83.5
Dividend Per Share (cents)	0.75	0.75	-

**Note:**

1. Share of loss of associates, net of tax is about \$3,000 in 2Q2020.

# Financial Results for Group (1H2020 vs 1H2019)

S\$ (Million)	1H2019	1H2020	YoY change (%)
Revenue	57.83	77.03	+33.2
Net revenue	31.39	38.66	+23.1
Other income	1.08	2.38	+119.6
Expenses	27.36	30.99	+13.3
Net finance (costs) / income	-0.13	0.14	NM
Share of results of associates, net of tax	-0.25	-0.07	-70.0
Profit before tax	4.74	10.12	+113.6
Profit after tax	3.94	8.08	+104.9
Net profit attributable to owners of the Company	4.05	8.16	+101.4
EPS (cents)	1.51	3.02	+100.0
Dividend Per Share (cents)	1.50	1.50	-

# Results Overview for Group (including China operation)

S\$ (Million)	FY2016	FY2017 <sup>1</sup>	FY2018	FY2019	1H2020
Revenue	80.60	101.17	121.24	125.41	77.03
Net revenue	40.69	49.45	59.62	65.20	38.66
Other income	1.88	1.08	1.16	2.04	2.38
Operating expenses	37.16	42.19	49.78	56.06	30.99
Net finance income/(costs)	0.84	0.74	0.83	-0.06	0.14
Share of results of associates, net of tax	-0.16	-0.33	0.52	-0.05	-0.07
Profit before tax	6.09	8.75	12.35	11.07	10.12
Profit after tax	5.33	7.49	10.69	9.31	8.08
Net profit attributable to owners of the Company	5.45	7.70	10.91	9.52	8.16
EPS (cents)	2.08	2.92	4.10	3.55	3.02
Operating Cashflows	5.63	13.22	17.62	19.38	19.50
Dividend per share (cents)	2.79	3.01	3.15	3.15	1.50

**Note:**

1. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018.

# Results Overview for Group (excluding China operation)

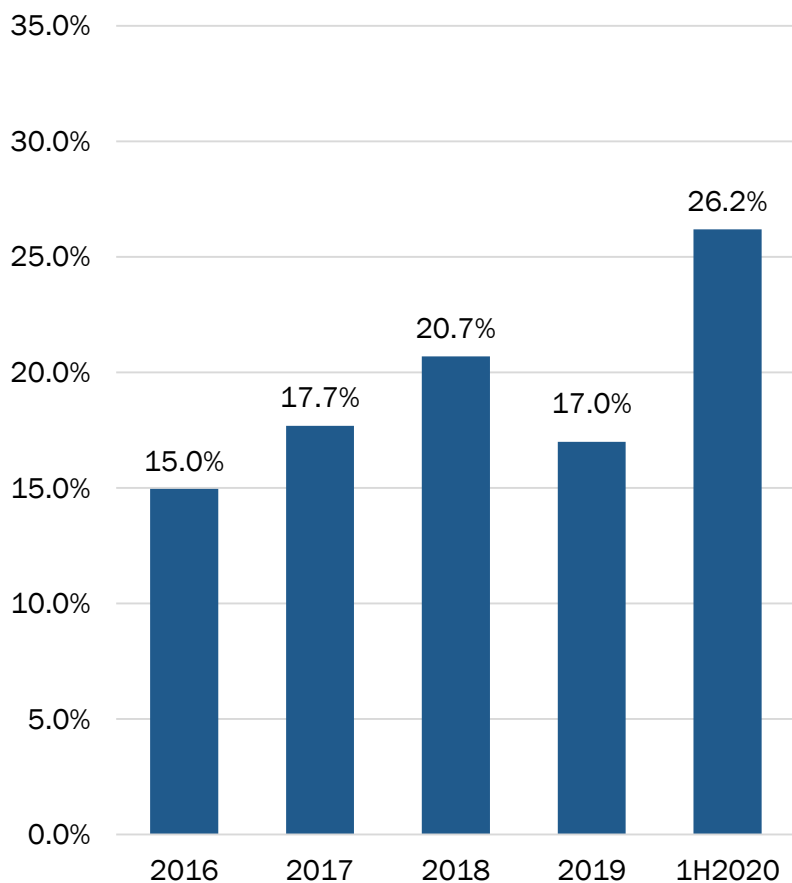
S\$ (Million)	FY2016	FY2017 <sup>1</sup>	FY2018	FY2019	1H2020
Revenue	79.89	100.65	120.50	124.84	76.49
Net revenue	40.46	49.01	58.87	64.64	38.13
Other income	1.88	1.10	1.16	2.04	2.38
Operating expenses	33.13	37.31	44.12	50.43	28.06
Net finance income/(costs)	0.82	0.72	0.79	-0.03	0.17
Share of results of associates, net of tax	-0.16	-0.33	0.52	-0.05	-0.07
Profit before tax	9.82	13.13	17.17	16.10	12.51
Profit after tax	9.06	11.87	15.51	14.33	10.46
Net profit attributable to owners of the Company	9.06	11.87	15.51	14.33	10.46
EPS (cents)	3.46	4.50	5.83	5.35	3.87
Operating Cashflows	8.79	16.92	21.62	23.54	21.40

**Note:**

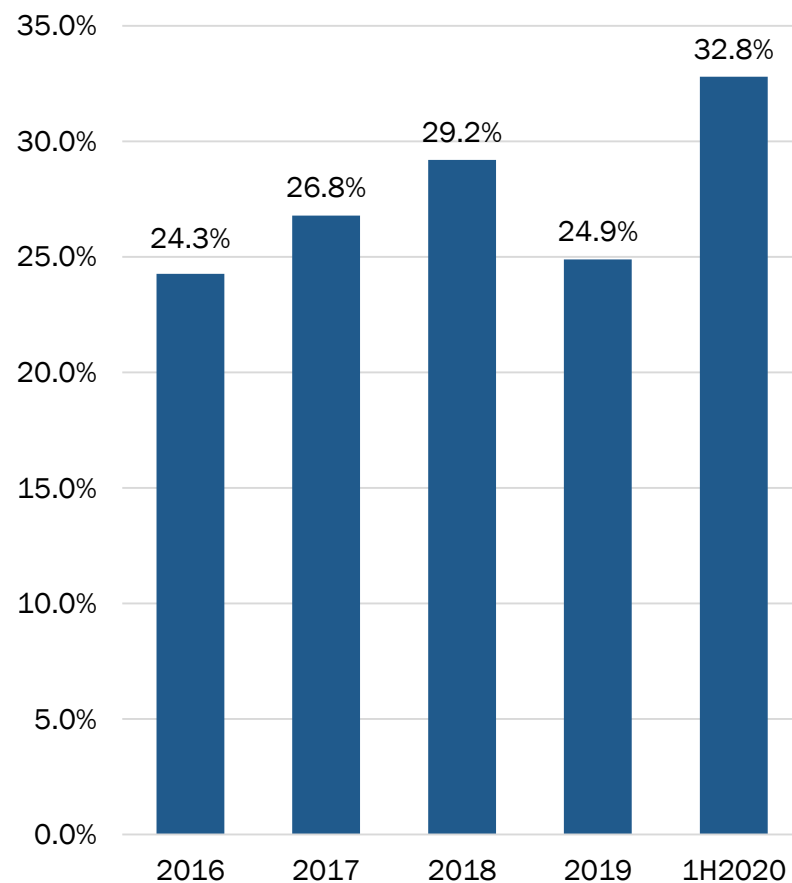
1. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018.

# PBT margin for Group (based on net revenue)

(including China operation)



(excluding China operation)



**Note:**

1. PBT margins (2017) were restated as a result of adoption of SFRS(I)s with effect from 1 January 2018

# Financial Indicators

S\$ (Million)	FY2016	FY2017	FY2018	FY2019	1H2020
EBITA	7.59	12.96	16.44	17.49	13.71
Net Cash Position <sup>1</sup>	54.59	55.91	48.06	40.15	42.45
Operating Cash Flows	5.63	13.22	17.62	19.38	19.50
Operating Cash Flows (excluding China Operation)	8.79	16.92	21.62	23.54	21.40
Capital Expenditure <sup>2</sup>	6.61	7.47	10.73	11.90	5.06
Net Current Assets	64.39	60.18	56.62	49.86	50.98
Shareholders' Equity	78.45	81.24	85.56	90.06	95.37

## Notes:

1. Comprising cash and cash equivalents and investments in financial assets (categorised as other investments under current assets) net of bank loans at the end of the respective year or period.
2. Excluding right-of-use assets recognised following the adoption of SFRS(I)16 Leases with effect from 1 Jan 2019.

# Net Cash Position

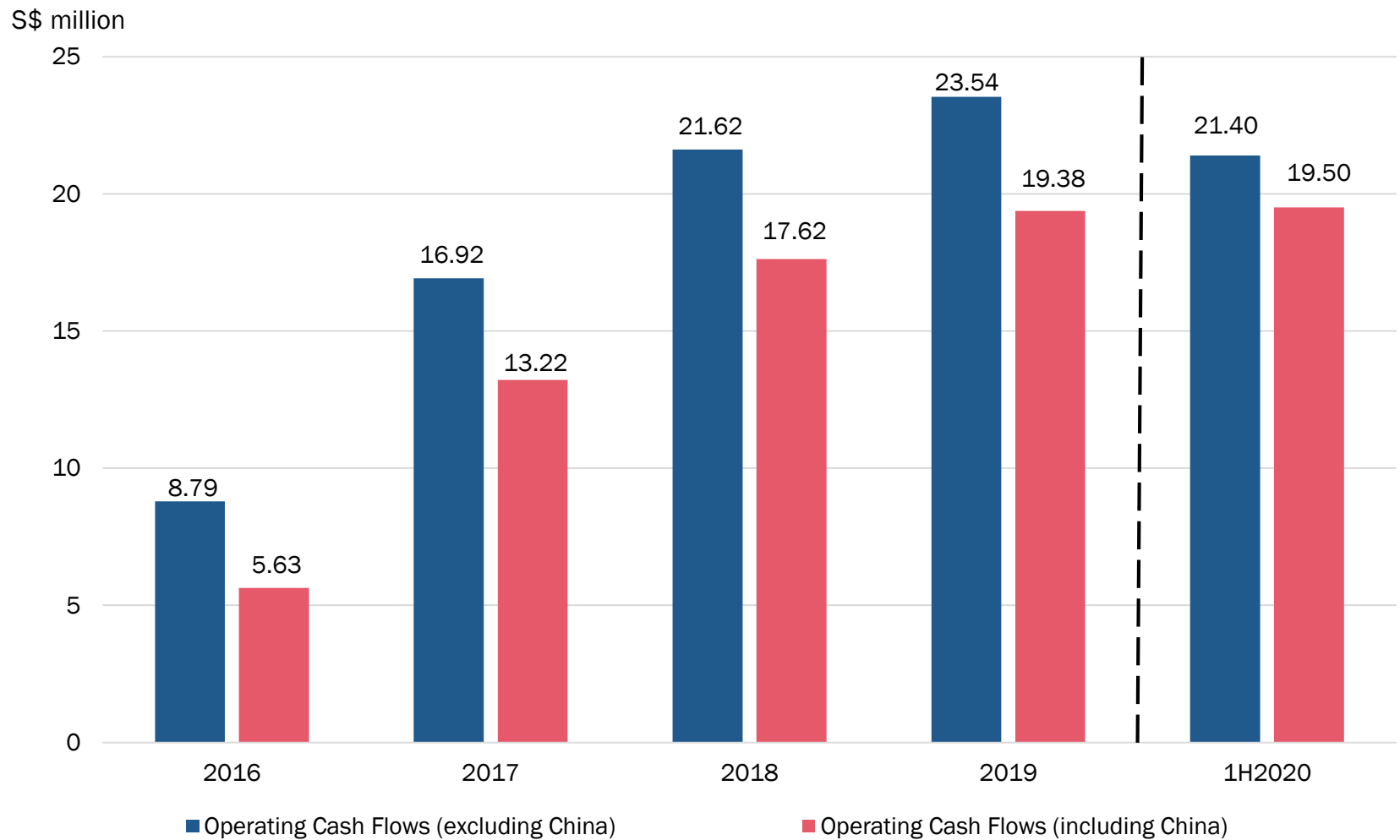
	As at 30 Jun 2020 (S\$ million)
Cash and cash equivalents	26.00
Other investments <sup>1</sup>	20.29
Total cash and other investments	46.29
Less: Bank loans	3.84
Net Cash Position (total cash and other investments net off bank loans)	42.45
Gross Debt-to-Equity Ratio	4.03%
Net Debt-to-Equity Ratio	Net Cash Position

**Note:**

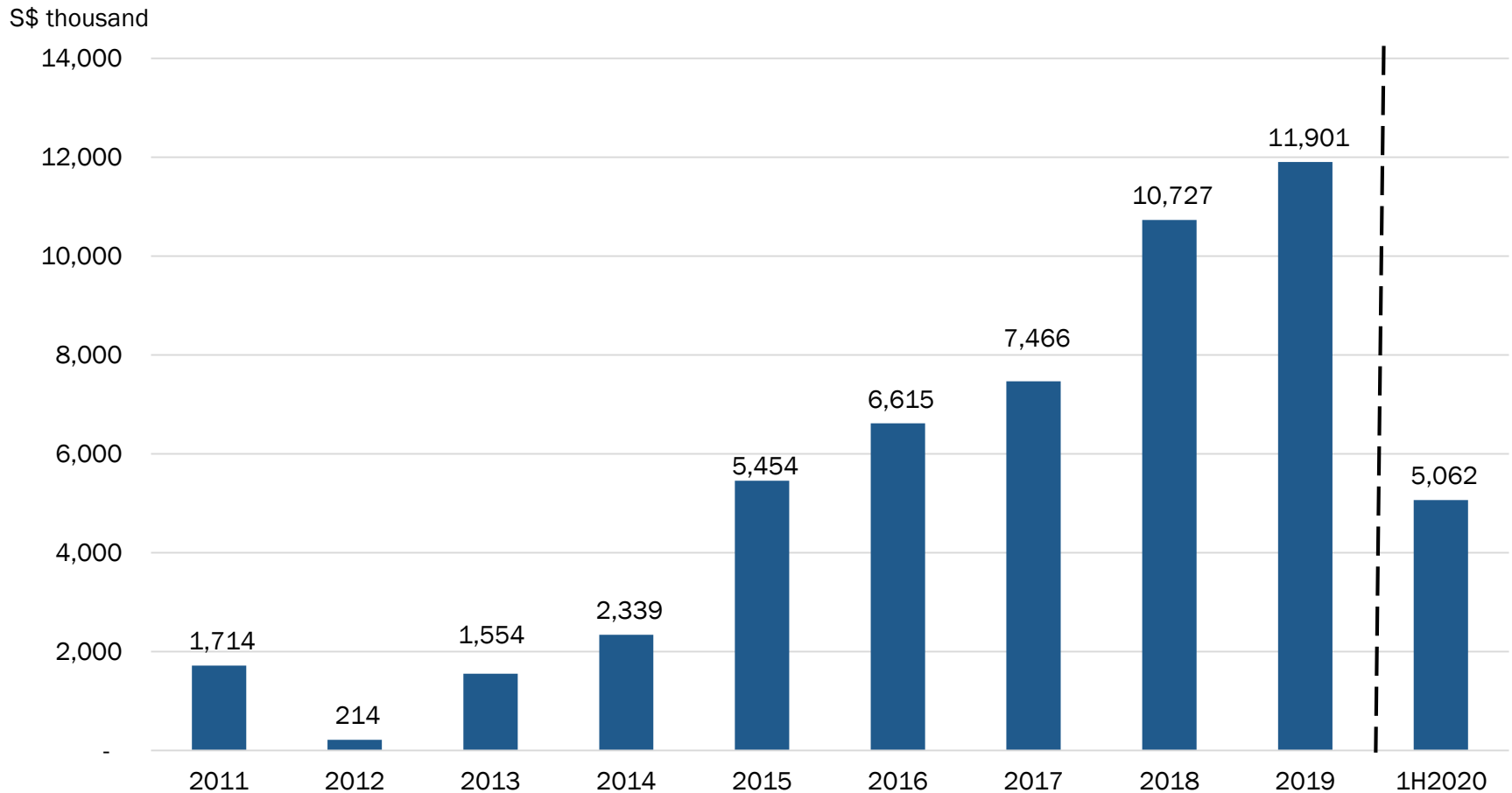
1. Other investments comprise investments in financial assets under current assets.



# Group Operating Cash Flows



# Capital Expenditure



**Note:**

1. The Group's estimated capital expenditure for 2020 was S\$10.81 million, but does not take into consideration the successful application of the Digital Bank licence in Singapore.

# Update on Operating Expenses

- At the beginning of this year, the Group guided that its operating expenses will amount to approximately between S\$59.9 million to S\$61.4 million in 2020.
- Given the strong performance of the Group in 1H2020 and the positive underlying trends that the Group is currently seeing, the Group now expects the full year 2020 operating expenses to amount to approximately between S\$63.4 million to S\$64.9 million.
- This reflects increases in IT infrastructure costs, marketing costs, performance-based remunerations and additional headcounts in Singapore.
- The Group is of the view that for the long run it should continue to invest ahead so that it can be ready anytime to support new market demand continuously.

# Number of issued shares

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	As at 31 Dec 2019	As at 30 Jun 2020
Total number of issued shares (excluding treasury shares and subsidiary holdings)	268,732,479	271,155,107

# Our Consolidated Financial Position

	As at 31 Dec 19 S\$'000	As at 30 Jun 20 S\$'000
<b>NON-CURRENT ASSETS</b>		
Plant and Equipment	3,689	3,508
Right-of-use Assets	14,390	21,259
Intangible Assets and Goodwill	22,212	23,442
Associates	5,375	6,005
Other Investments	5,329	5,210
Deferred Tax Assets	1,139	1,002
Prepayments & Others	327	471
<b>TOTAL NON-CURRENT ASSETS</b>	<b>52,461</b>	<b>60,897</b>
<b>CURRENT ASSETS</b>		
Current Tax Receivables	30	-
Other Investments	19,144	20,294
Prepayments and Others	1,759	1,526
Trade & Other Receivables	347,20	38,392
Uncompleted Contracts - Buyers	242,46	66,072
Money Market Funds	616	550
Cash at Bank and In Hand	241,95	25,447
<b>TOTAL CURRENT ASSETS</b>	<b>104,710</b>	<b>152,281</b>
<b>HELD UNDER TRUST</b>		
Client Bank Accounts	410,723	720,114
Client Ledger Balances	(410,723)	(720,114)
	-	-
<b>TOTAL ASSETS</b>	<b>157,171</b>	<b>213,178</b>

# Our Consolidated Financial Position

	As at 31 Dec 19 S\$'000	As at 30 Jun 20 S\$'000
<b>EQUITY</b>		
Share Capital	66,180	66,358
Other Reserves	23,877	29,009
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<b>90,057</b>	<b>95,367</b>
Non-Controlling Interests	(421)	(513)
<b>TOTAL EQUITY</b>	<b>89,636</b>	<b>94,854</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred Tax Liabilities	1,928	1,914
Lease Liabilities	10,755	15,108
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>12,683</b>	<b>17,022</b>
<b>CURRENT LIABILITIES</b>		
Current Tax Payables	1,530	2,930
Lease Liabilities	4,366	6,821
Bank Loans	3,806	3,843
Trade & Other Payables	20,955	21,837
Uncompleted Contracts – Sellers	24,195	65,871
<b>TOTAL CURRENT LIABILITIES</b>	<b>54,852</b>	<b>101,302</b>
<b>TOTAL LIABILITIES</b>	<b>67,535</b>	<b>118,324</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>157,171</b>	<b>213,178</b>

# Second Interim Dividend for FY2020

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## Second Interim Dividend for FY2020 - Schedule

Dividend per share	0.75 cents per ordinary share
Ex-dividend date	3 Aug 2020
Record date and time	4 Aug 2020 (5.00 pm)
Payment date	19 Aug 2020

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- For the second interim dividend for 2Q2020, the Directors declared a dividend of 0.75 cents per ordinary share (second interim dividend for 2Q2019: 0.75 cents per ordinary share).

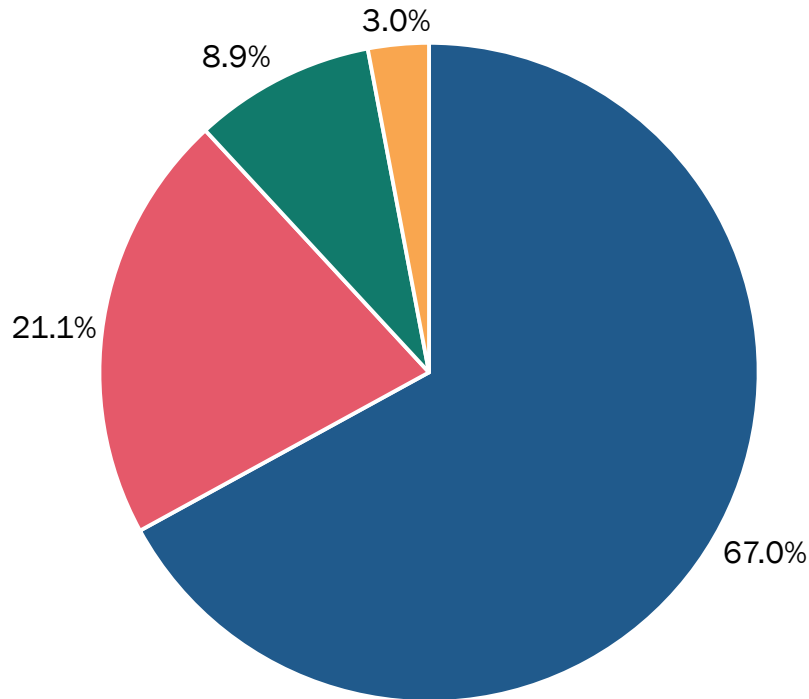
# Our Performance Trends



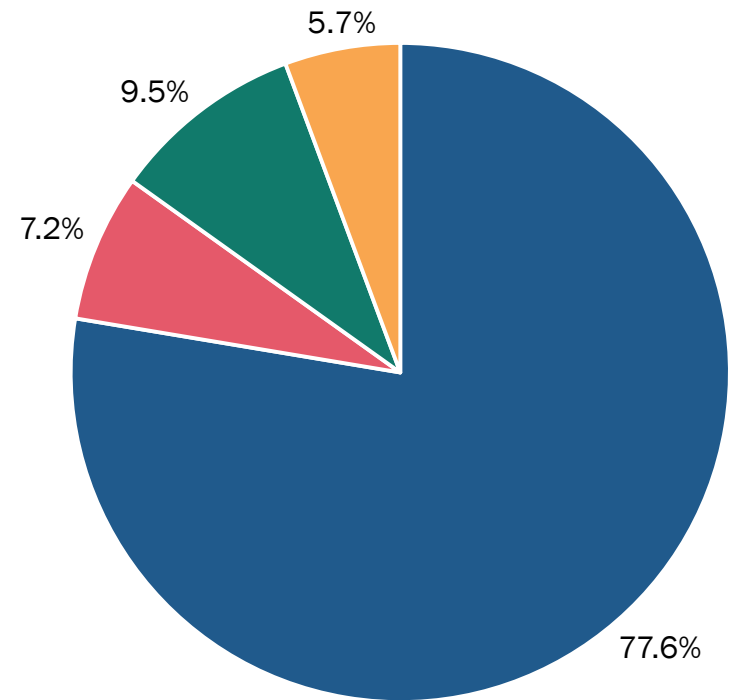


# AUA Breakdown: Markets & Products (as at 30 June 2020)

## AUA Breakdown By Markets



## Breakdown by Products

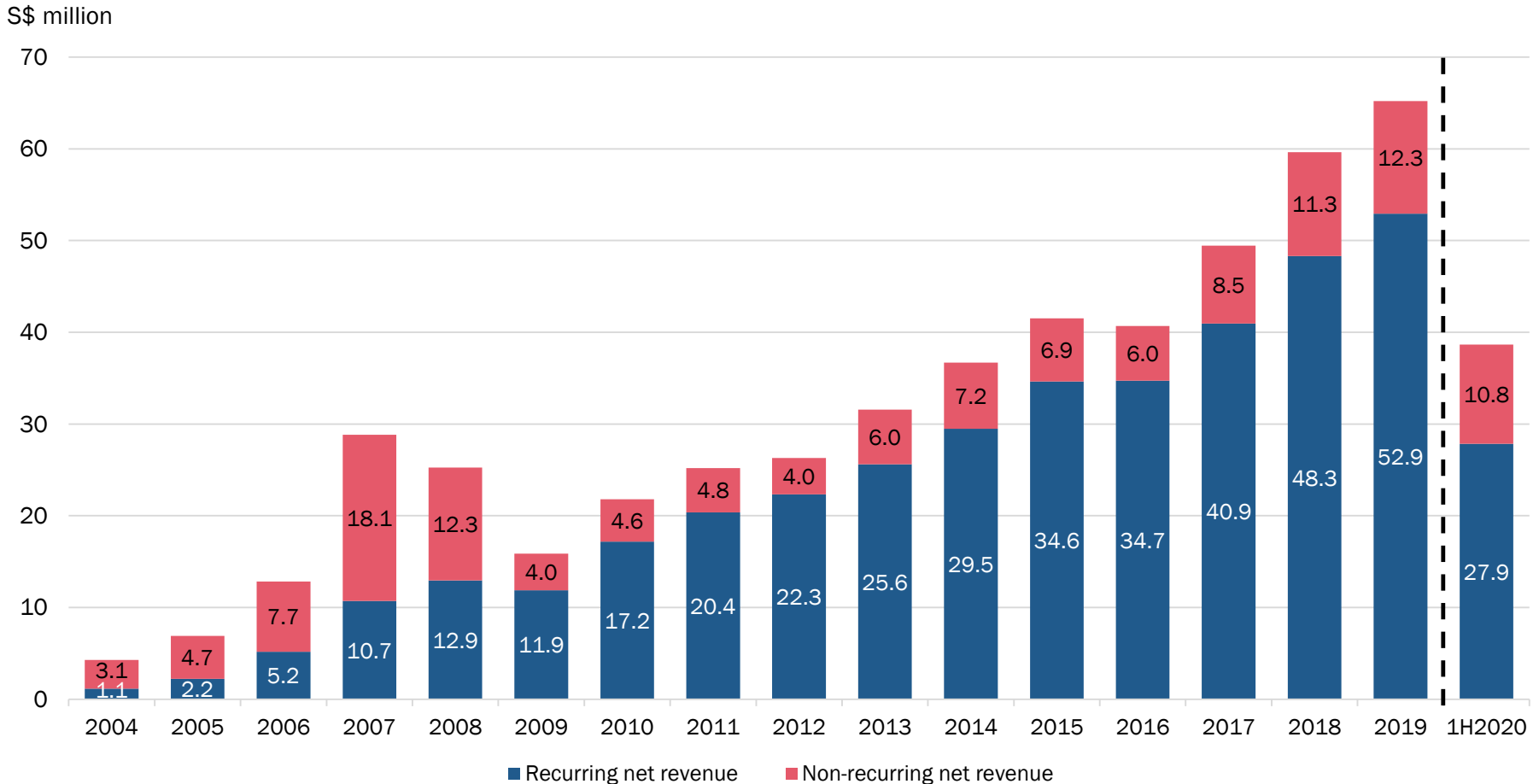


- Singapore
- Hong Kong
- Malaysia
- Others (China & India)

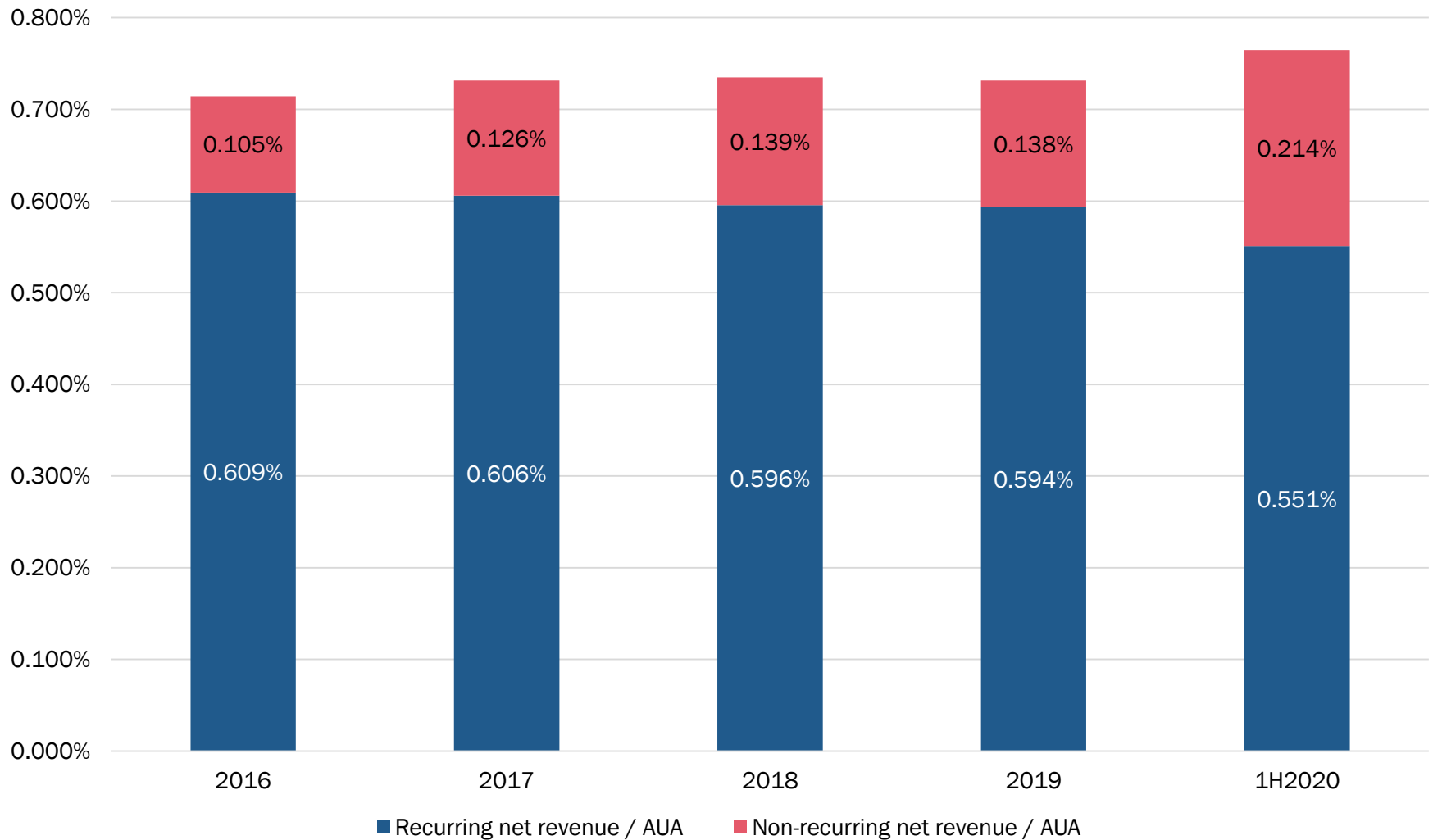
- Unit Trusts
- Bonds
- Stocks & ETFs
- Cash Account

# Net revenue breakdown between recurring and non-recurring sources

Average contribution from recurring net revenue as opposed to non-recurring net revenue in the period from 2019 to 1H2020 was **76.6%**



# Net revenue as a ratio of average AUA



# Recurring and Non-Recurring Net Revenue

S\$ (Million)	FY2016	FY2017	FY2018	FY2019	1H2020
Recurring net revenue	34.71	40.95	48.32	52.94	27.85
Non-recurring net revenue	5.98	8.50	11.30	12.26	10.81
Total net revenue	40.69	49.45	59.62	65.20	38.66
YoY Change (%)	FY2016	FY2017	FY2018	FY2019	1H2020
Recurring net revenue	+0.2	+18.0	+18.0	+9.6	+7.9
Non-recurring net revenue	-13.2	+42.2	+33.0	+8.5	+93.4
Total net revenue	-2.0	+21.5	+20.6	+9.4	+23.1

# Net Revenue – Geographical Segment

S\$ (Million)	FY2016	FY2017	FY2018	FY2019	1H2020
Singapore	29.54	34.77	39.30	41.95	25.09
Hong Kong	8.66	10.78	14.26	16.71	9.18
Malaysia	2.26	3.47	5.32	5.97	3.86
China	0.23	0.43	0.75	0.57	0.53
Group	40.69	49.45	59.62	65.20	38.66
YoY Change (%)	FY2016	FY2017	FY2018	FY2019	1H2020
Singapore	-1.7	+17.7	+13.0	+6.8	+22.5
Hong Kong	-9.4	+24.5	+32.2	+17.2	+20.5
Malaysia	+16.7	+53.5	+53.4	+12.2	+27.1
China	NM	+83.4	+73.1	-24.1	+112.9
Group	-2.0	+21.5	+20.6	+9.4	+23.1

# Net Revenue – B2B Business Segment

<b>B2B Net Revenue (S\$ Million)</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>1H2020</b>
Recurring net revenue	24.49	28.85	33.88	37.12	19.54
Non-recurring net revenue	3.86	5.15	7.22	7.19	4.99
<b>Total B2B net revenue</b>	<b>28.35</b>	<b>34.00</b>	<b>41.10</b>	<b>44.31</b>	<b>24.53</b>
<b>YoY Change (%)</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>1H2020</b>
Recurring net revenue	-0.02	+17.8	+17.4	+9.6	+7.9
Non-recurring net revenue	-5.6	+33.4	+40.1	-0.5	+52.3
<b>Total B2B net revenue</b>	<b>-0.8</b>	<b>+19.9</b>	<b>+20.9</b>	<b>+7.8</b>	<b>+14.7</b>

# Net Revenue – B2C Business Segment

B2C Net Revenue (S\$ Million)	FY2016	FY2017	FY2018	FY2019	1H2020
Recurring net revenue	10.22	12.10	14.44	15.81	8.31
Non-recurring net revenue	2.12	3.35	4.08	5.08	5.82
Total B2C net revenue	12.34	15.45	18.52	20.89	14.13
YoY Change (%)	FY2016	FY2017	FY2018	FY2019	1H2020
Recurring net revenue	+0.7	+18.4	+19.3	+9.5	+8.1
Non-recurring net revenue	-24.1	+58.0	+22.0	+24.3	+151.6
Total B2C net revenue	-4.6	+25.2	+19.9	+12.8	+41.2

# Profit/Loss – Geographical Segment

Profit/Loss (S\$ Million)	2Q2019	2Q2020	YoY Change (%)	1H2019	1H2020	YoY Change (%)
Singapore	3.01	5.03	+67.2	5.01	8.55	+70.7
Hong Kong	0.84	0.86	+2.3	1.52	2.44	+60.7
Malaysia	0.41	1.11	+167.6	0.93	1.59	+71.0
Other <sup>1</sup>	(0.11)	- <sup>2</sup>	-97.3	(0.25)	(0.07)	-70.0
Profit before tax (excluding China operation)	4.16	7.00	+68.4	8.70	12.51	+73.5
Tax expense	(0.48)	(1.26)	+161.5	(0.81)	(2.05)	+156.2
Net profit after tax (excluding China operation)	3.67	5.74	+56.2	7.89	10.46	+63.2
China operation	(1.22)	(1.21)	-1.1	(2.20)	(2.30)	-2.5
Net profit after tax (including China operation)	2.45	4.53	+84.7	4.05	8.16	+101.4

**Notes:**

1. Representing share of results of associates.
2. Share of loss of associates, net of tax is about \$3,000 in 2Q2020.



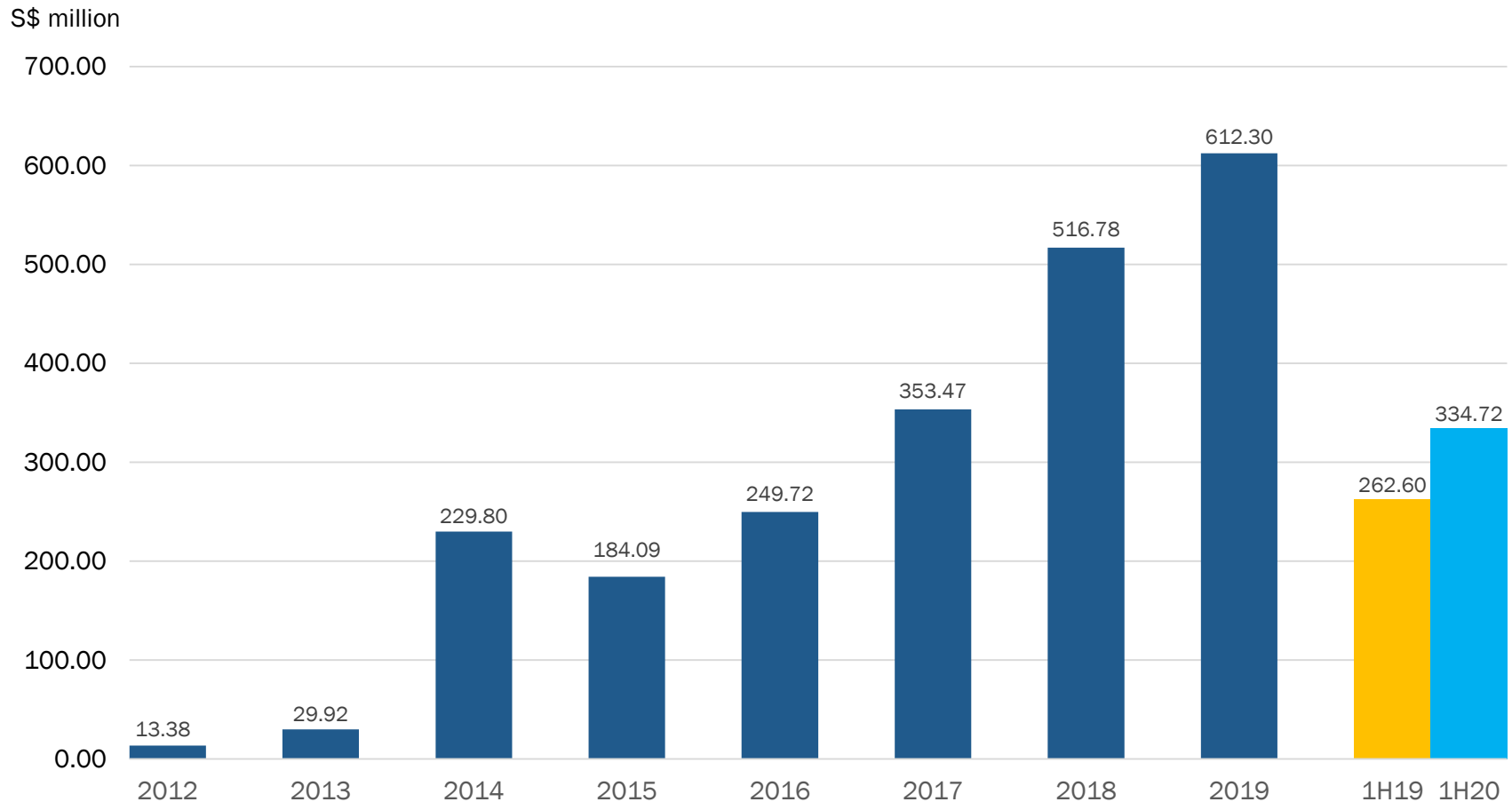
# Profit/Loss – Geographical Segment

Profit/Loss (S\$ Million)	FY2016	FY2017 <sup>2</sup>	FY2018	FY2019	1H2020
Singapore	9.07	10.62	11.86	9.96	8.55
Hong Kong	0.53	1.77	3.42	4.42	2.44
Malaysia	0.38	1.07	1.37	1.76	1.59
Other <sup>1</sup>	(0.16)	(0.33)	0.52	(0.05)	(0.07)
Profit before tax (excluding China operation)	9.82	13.13	17.17	16.10	12.51
Tax expense	(0.76)	(1.26)	(1.66)	(1.76)	(2.05)
Net profit after tax (excluding China operation)	9.06	11.87	15.51	14.33	10.46
China operation	(3.61)	(4.17)	(4.60)	(4.82)	(2.30)
Net profit after tax (including China operation)	5.45	7.70	10.91	9.52	8.16

**Notes:**

1. Representing share of results of associates
2. Restated as a result of adoption of SFRS(I)s with effect from 1 January 2018 for comparison purpose

# Transaction Volume Of Bondsupermart's Affiliated Brokers From Inception



# Update on Digital Bank Licence Application in Singapore

- The iFAST-led consortium is among the nine digital wholesale bank (DWB) applicants that have met the eligibility criteria required to progress to the next stage of assessment.
- In the announcement released on 18 June 2020, the Monetary Authority of Singapore (MAS) mentioned that the timeline for the award of the digital bank licences would be by the end of this year, and that it would be issuing up to three DWB licences.
- As a Singapore home-grown Fintech company with a track record of 20 years of profitable growth, a well-established Fintech ecosystem and its strong partnership with Yillion Group and Hande Group, iFAST Corp is hopeful in getting the DWB licence although it cannot guarantee success in the DWB licence application.
- iFAST Corp is one of the few profitable Fintech companies in Singapore and around the region. The Group's Singapore business achieved a cumulative net profit of more than S\$117 million since 2000, while the Group's net cash position (including cash equivalents and investments in financial assets) stood at S\$42.45 million as at 30 June 2020.

# Update on Digital Bank Licence Application in Singapore

- If the DWB licence application is successful, iFAST Corp expects to launch its digital banking services by the end of 2021.
- Based on estimates, the digital bank launch is expected to add between 9% to 11% to the Group's operating expenses in 2022. The estimated percentage is based on the Group's effective shareholding of 65% in the proposed digital bank.
  - Based on the full 100% shareholding in the proposed digital bank, the digital bank launch is expected to add between 14% to 17% to the Group's operating expenses in 2022.



# Progress of Individual Markets

## SINGAPORE

- Net revenue for the Singapore operation increased by 20.4% YoY to S\$12.91 million in 2Q2020, and rose by 22.5% YoY to S\$25.10 million in 1H2020.
- The growth in net revenue was due to the robust growth rates in AUA, sales and net inflows for FSMOne.com, its B2C business division, as well as for the iFAST B2B business division.
- The AUA of the Singapore operation grew 24.5% YoY to a record high of S\$7.47 billion as at 30 June 2020. The sharp decline in global markets in March 2020 had led to a QoQ decline in AUA as at 31 March 2020, but AUA saw a swift recovery in 2Q2020 as sales and net inflows hit record high levels, and global markets surged quickly from the March 2020 lows.
- As a result, the AUA of the Singapore operation was up 14.1% on a year-to-date (YTD) basis. Both FSMOne.com and the iFAST B2B business divisions achieved record high AUA levels as at 30 June 2020.
- Following a record high in 1Q2020, net inflows continued to increase further in 2Q2020. Compared to the same period last year, net inflows for the Singapore operation were a few times higher in 1H2020.
- FSMOne.com continued to see a surge in investment activities from DIY investors in 2Q2020. The ability for investors to trade seamlessly and open an account quickly, with full services made available to investors during the last few months, have contributed to record high levels in accounts opened, sales and net inflows for FSMOne.com.



# Progress of Individual Markets

## SINGAPORE

- FSMOne.com investors continued to invest actively into the different investment products including unit trusts, stocks, ETFs, bonds and cash solutions.
- There was a significant contribution to net revenue from the stockbroking business, as investors continued to trade actively in the stocks and ETFs listed on the US, Singapore and Hong Kong exchanges. In addition, the flat \$10 commission fee on SGX trading for investors who have AUA of \$100,000 and above, has been well-received.
- Sales and net inflows were strong in 2Q2020 compared to one year ago on the B2B platform among the Financial Advisory (FA) companies and other Financial Institutions. The positive trend that has emerged in more recent times is that the wealth advisers from the FA companies have readily embraced technology to continue servicing their clients.
- Wealth advisers who advocate the use of simple investment products to build wealth (e.g., unit trusts, stocks, bonds and ETFs) have seen less disruption to their businesses, as video conferencing continues to facilitate the communication of simple-to-understand fee structures and risk-reward outcomes for such instruments. This trend has helped wealth advisers to be more productive and will continue to help in the future growth of AUA and sales.

# Progress of Individual Markets



## HONG KONG

- Net revenue for the Hong Kong operation increased by 10.4% YoY to S\$4.36 million in 2Q2020, and rose by 20.5% YoY to S\$9.18 million in 1H2020.
- The AUA of the Hong Kong operation recovered by 8.3% QoQ as global equities market continues to improve and grew 2.9% YTD to S\$2.35 billion as at 30 June 2020.
- The increase in AUA was driven by the double-digit QoQ growth in unit trusts, bonds and ETFs, resulting from the recovery seen across all asset classes.
- The stocks and ETFs turnover of the Hong Kong operation benefitted from the strong rebound in the US equity market. The turnover of the B2C division hit record high level in 2Q2020, while the turnover of the B2B division more than doubled as compared to the same period in 2019.
- Despite the triple whammy of the COVID-19 pandemic, social unrest and US-China tension, which may have cast a shadow over investor sentiment and raised concerns about the capital outflow in Hong Kong, the B2C business remained strong in 1H2020 with strong growth seen in bonds, stocks and ETFs turnover as compared to 2H2019, and the Hong Kong operation saw net inflows in 1H2020.

# Progress of Individual Markets



## HONG KONG

- iFAST Hong Kong's focus on embracing Fintech has also allowed it to better position itself to work closely with its partners to take on the challenges.
- Cash accounts balance of the Hong Kong operation continued to increase in 2Q2020 indicating that both the adviser-assisted clients and retail clients still have deployable cash for further investing in the markets.
- In 2Q2020, the Hong Kong operation has received more enquiries for its customised Fintech solutions, and it expects the demand for customised Fintech solutions to continue to thrive going forward.
- Although unit trusts account for the bulk of the AUA for the B2B division, there was a higher turnover across a variety of asset classes was observed for the B2B division in 2Q2020, especially in stocks and ETFs listed on the US and Hong Kong exchanges.



# Progress of Individual Markets



## MALAYSIA

- Net revenue for the Malaysia operation increased by 40.5% YoY to S\$2.31 million in 2Q2020, and rose by 27.1% YoY to S\$3.86 million in 1H2020.
- The AUA of the Malaysia operation grew 35.5% YoY to a record high of S\$992 million as at 30 June 2020. As markets rebound in 2Q2020 and with investors pouring in on optimism from global economies emerging from lockdown, Malaysia's AUA jumped 17.7% QoQ and was up 14.1% on a YTD basis.
- Despite the implementation of Movement Control Order (“MCO”) which lasted for the most of 2Q2020, both the B2C and B2B divisions continued to see net inflows with the B2C division, FSMOne.com, achieving a record net inflow for the quarter.
- At FSMOne.com, quarterly sales excluding switching hit another record high and account opening momentum remained strong.
- Notably, FSMOne.com saw a significant increase in its Gold and Platinum customers. Both higher-tiered customers are now at record high numbers. The addition of these clients has contributed significantly to the net inflows and AUA for FSMOne.com.

# Progress of Individual Markets



## MALAYSIA

- In 2Q2020, the B2B division saw a decline in sales of unit trusts due to the implementation of MCO. However, the pent up demand led to a pick up in business towards the end of 2Q2020 as the MCO condition loosens.
- The bond business also saw strong inflows as clients from institutional channels piled into Government Bonds and Local Corporate Bonds to diversify their portfolios.
- While the implementation of MCO resulted in a temporal drop in business volume, the negative impact was cushioned by the adoption of non-face-to-face account opening process. During this period, transactions and engagements with clients have moved online. iFAST Malaysia believes that the MCO has accelerated the adoption of technology within the country, which in turn helped enhance the productivity of its advisers.
- The Malaysia Fintech division was unaffected by the implementation of MCO. Ongoing IT developments continued to be well in progress, and the division also secured more contracts during the MCO period. The Malaysia Fintech business is expected to contribute to a significant portion of the revenue for the Malaysia operation in the current year.

# Progress of Individual Markets



## CHINA

- Net revenue for the China operation grew 301.5% YoY to S\$0.27 million in 2Q2020, and rose by 112.9% to S\$0.53 million in 1H2020.
- The AUA of the China operation grew 32.7% QoQ and 56.3% YTD to approximately RMB 805 million (equivalent to S\$159 million) as at 30 June 2020.
- The AUA across all business divisions continued to achieve positive growth in 2Q2020 as China continues its journey to normalcy post COVID-19.
- The adoption rate for Wrap Account continued to grow since its launch on the iFAST China platform in late 2019. The growth in the Wrap Account adoption rate translates to higher recurring income for the iGM advisers as they continue to grow their clients' AUA. With the Wrap Account, clients can enjoy higher savings on upfront fees during portfolio rebalancing.
- As investor sentiments improve, iFAST China continues to see significant growth in the AUA of equity/mixed-asset funds on its platform.

# Progress of Individual Markets



## CHINA

- iFAST China has continued to achieve healthy growth in 2Q2020 as it continues to work on improving the suite of products and services offered to its B2B partners.
- While the COVID-19 situation continues to improve in China, the China operation has ensured that risk management measures continue to remain in place and are enforced rigorously to maintain the sustainability of its business.

# Progress of Individual Markets



## INDIA

- As at 30 June 2020, iFAST Corp holds an effective 38.0% share in iFAST Financial India Pvt Ltd, the key business of the Group's India business, which engages in the distribution of investment products including unit trust in India.
- India's AUA fell by 12.1% YTD but grew 10.2% QoQ to Indian Rupee 24.75 billion (equivalent to S\$457 million) as at 30 June 2020. The industry AUA fell by 8.5% in 1H2020. India has been in a lockdown since 25 March 2020 with the number of COVID-19 cases increasing daily without respite. The prolonged lockdown and economic uncertainty have made it challenging for advisers to acquire new clients in 2Q2020 and existing investors remain cautious in the equity market.
- On 3 July 2020, the Securities Exchange Board of India (SEBI) announced the changes for the Registered Investment Advisers (RIAs) regulations in India. With continued pressure on commissions and increased compliance requirements, iFAST India believes that its unique wrap solutions has become essential for RIAs and distributors to transit to a fee-based advisory model. This will strengthen iFAST Global Markets India's proposition and the India operation expects to grow its business significantly through this channel moving forward.

# Appendices



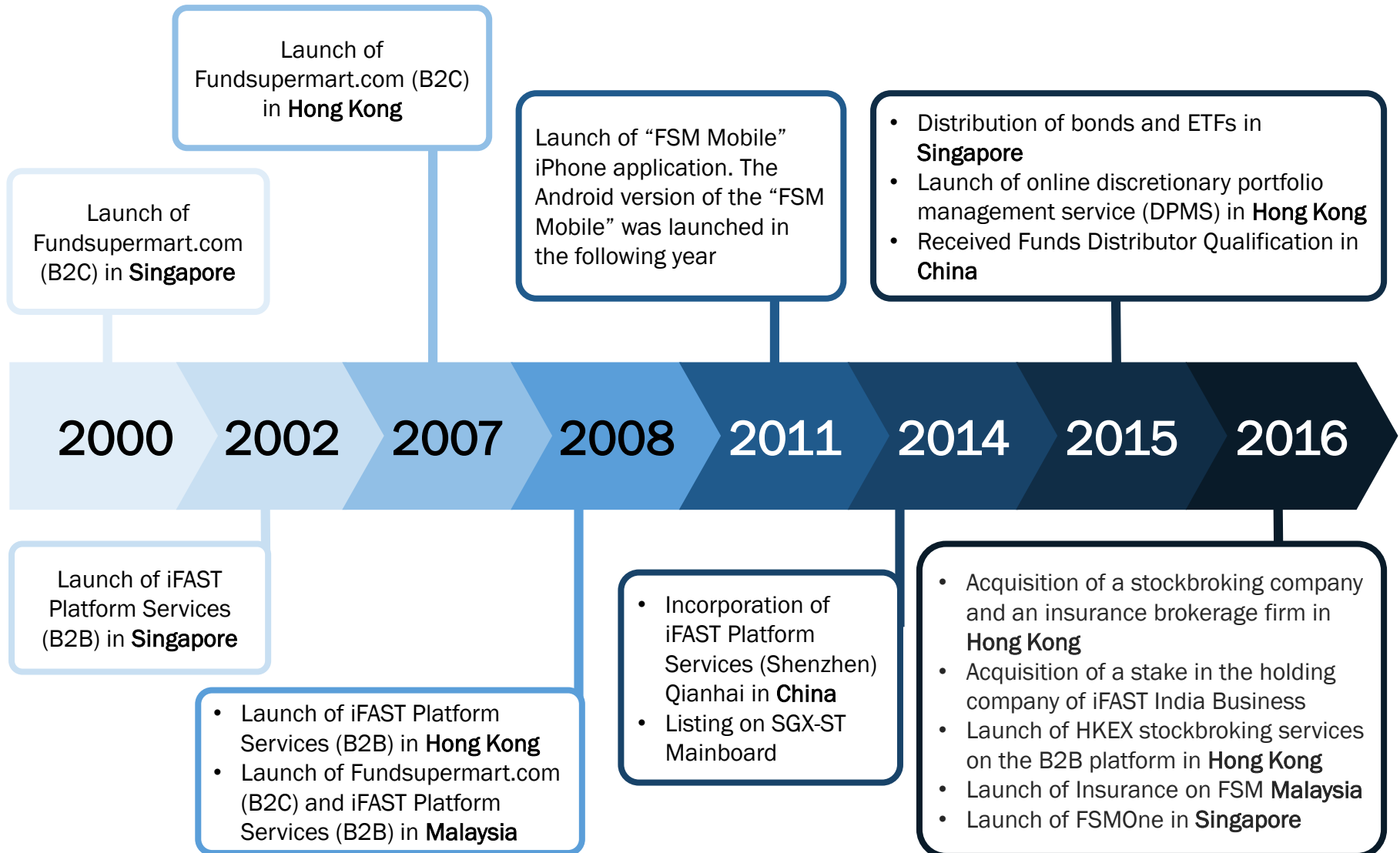
# Business Overview

- iFAST Corporation Ltd. is a wealth management fintech platform with assets under administration (AUA) of S\$11.15 billion as at 30 June 2020 (stock code: AIY).
- Main business divisions:
  - Business-to-Consumer (B2C) platform, Fundsupermart (including the new FSMOne multi-products account in Singapore, Hong Kong and Malaysia), targeted at DIY investors (AUA: S\$3.41 billion);
  - Business-to-Business (B2B) platform that caters to the specialised needs of over 450 financial advisory (FA) companies, financial institutions and banks (AUA: S\$7.74 billion), which in turn have more than 9,300 wealth advisers; and
  - Emerging Fintech Solutions / Business-to-Business-to-Consumer (B2B2C) Model: iFAST Fintech Solutions was launched in the recent years to provide customisable Fintech solutions for our B2B clients and business partners to empower them with B2C Fintech capabilities.
- The Group offers access to over 11,000 investment products including unit trusts, bonds and Singapore Government Securities (SGS), stocks, Exchange Traded Funds (ETFs), insurance products, and services including discretionary portfolios, research and investment seminars, financial technology (fintech) solutions, and investment administration and transaction services.
- Our mission statement is, “To help investors around the world invest globally and profitably”.
- iFAST Corp was consistently ranked within the top 15% among SGX-listed companies in the Singapore Governance and Transparency Index (SGTI) from 2016 to 2019.
- iFAST Corp was awarded the "Best Investor Relations – Silver Award" and “Best Investor Relations – Bronze Award” in the “Companies with less than S\$300 million in market capitalisation” category at the Singapore Corporate Awards held in 2018 and 2019 respectively.
- iFAST Corp was selected as one of the 36 listed companies to be included in 2019’s SGX Fast Track programme. The programme aims to affirm listed issuers that have been publicly recognised for high corporate governance standards and have maintained a good compliance track record.





# Milestones





# Milestones (cont'd)

- Launch of HKEX stockbroking services on FSM **Hong Kong**
- Launch of bonds on FSM **Malaysia** and online DPMS in **Malaysia**
- **iFAST Singapore** admitted as Trading Member of SGX-ST and Clearing Member of CDP
- Launch of SGX stockbroking services in **Singapore**
- Launch of FSMOne in **Hong Kong**
- Launch of iFAST Fintech Solutions
- Launch of US stockbroking services on FSM **Singapore**

- **iFAST Singapore** clinched “Fastest Growing SGX-ST Member” Award at SGX Awards Night 2019
- **iFAST Malaysia** launched retail bonds under the Securities Commission Malaysia’s new Seasoning Framework
- Launch of iFAST Global Markets (iGM) mobile app in **Singapore** and **Hong Kong**
- **iFAST Corp** won the “Best Investor Relations – Bronze Award”, while the Group’s CFO was named “Best CFO” in the companies with less than S\$300 million in market capitalisation category at SCA 2019

2017

2018

2019

2020

- Launch of US stockbroking services in **Hong Kong**
- **iFAST Corp** won the "Best Investor Relations - Silver Award" in the small cap category at the Singapore Corporate Awards (SCA) 2018
- Launch of FSMOne in **Malaysia**

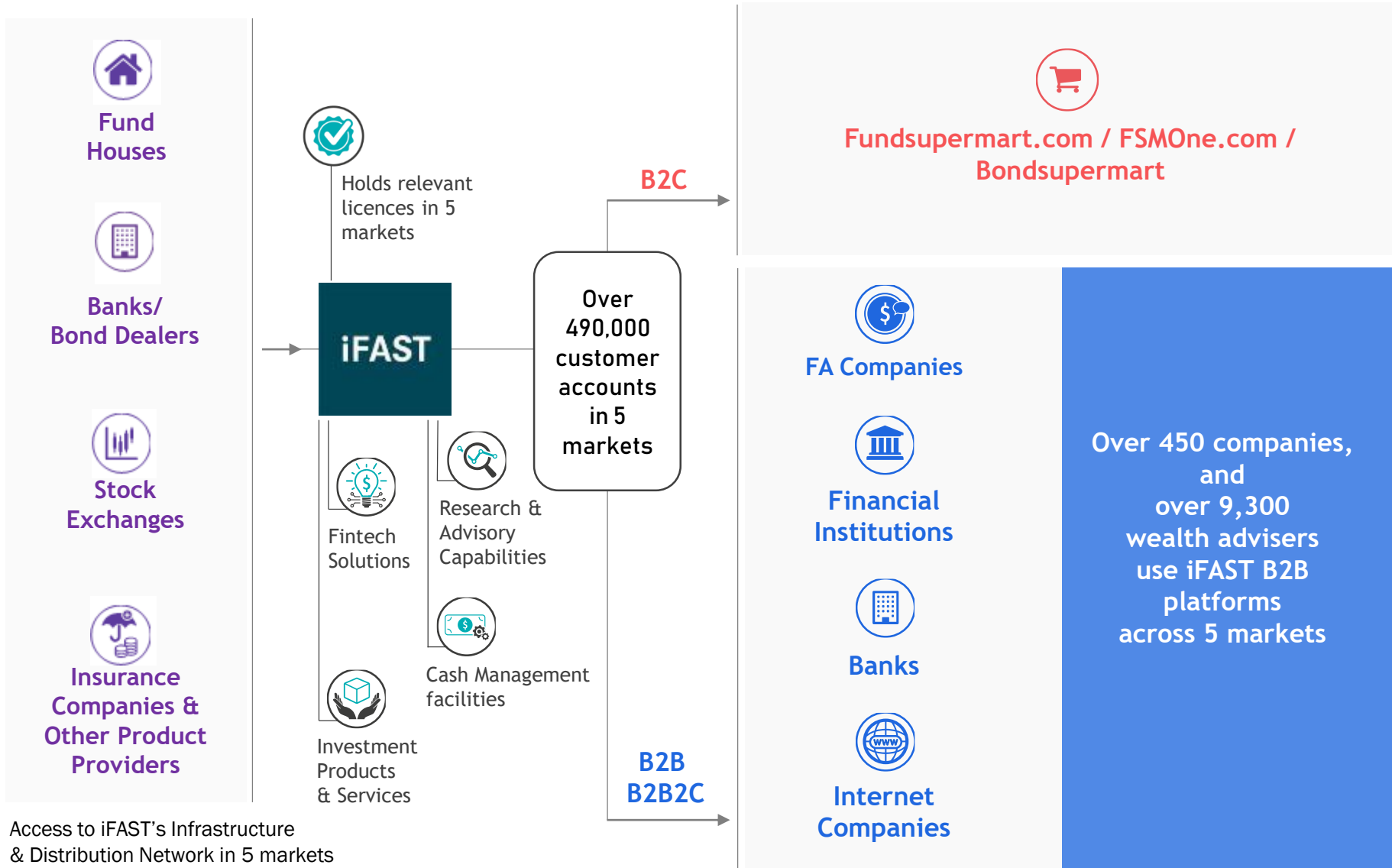
- **iFAST Singapore** received the “Fastest Growing SGX-ST Member” award for the second consecutive year.
- Bondsupermart launched the new Business Solutions service in **Singapore** to help financial institutions digitalise their bond business.
- June 2020: **iFAST Corp** was among the nine applicants to progress to next stage of assessment for the digital wholesale bank licence in **Singapore**.

# iFAST Fintech Ecosystem



(as at 30 Jun 2020)

Connecting All to Help Investors Invest Globally and Profitably



# The iFAST Fintech Ecosystem

- Products and services:
  - Unit trusts (over 7,500 funds from over 270 fund houses)
  - Bonds (over 1,400 direct bonds)
  - Stocks & ETFs – in 3 markets (Singapore, Hong Kong and US)
  - Discretionary portfolio management services
- Over 450 financial institutions and other corporations and over 9,300 wealth advisers using the platform
- Over 490,000 customer accounts in five markets
- Leading wealth management Fintech platform in Asia's two international financial centres (Singapore and Hong Kong)
- Presence in Asia's two giants markets (China and India), with linkages to Singapore and Hong Kong increasingly strengthened

# The Revenue Drivers

- The iFAST business model predominantly involves growing the size of our assets under administration (AUA). Higher AUA will generally lead to higher revenues.
- Recurring income accounts for approximately 80% of our net revenue
- Sources of Non-Recurring Net Revenue
  - Transaction fees – unit trusts, bonds, stocks, ETFs
  - Forex conversions
  - Fintech solutions IT development fees
  - Insurance commissions
- Sources of Recurring Net Revenue
  - Trailer fees, platform fees, wrap fees
  - Net interest income
  - Fintech solutions IT maintenance fees
- In recent times, the sources of the Group's net revenue have broadened. The contributions from net interest income arising from clients' AUA and Fintech solutions IT fees have become more important.

# Licences Held and Products and Services Available (as at 30 June 2020)



## INDIA

### LICENCES HELD:

- Registered Investment Adviser with SEBI
- Registered Mutual Fund Distributor with Association of Mutual Funds in India
- Bombay Stock Exchange (BSE)
- Central Depository Services (India) Ltd
- Approved person of Central Insurance Repository Ltd.

### PRODUCTS AVAILABLE:

UT / Stocks

## CHINA

### LICENCES HELD:

- Fund Distributor Qualification [CSRC]
- Associate Member of AMAC
- Member of SAMC

### PRODUCTS AVAILABLE:

UT

## HONG KONG

### LICENCES HELD:

- Type 1: Dealing in Securities [SFC]
- Type 4: Advising on Securities [SFC]
- Type 9: Asset Management [SFC]
- MPFA
- SEHK Participant
- HKSCC Participant
- Licensed Insurance Broker with Insurance Authority

### PRODUCTS AVAILABLE:

UT / Bonds / Stocks / ETFs / DPMS

## MALAYSIA

### LICENCES HELD:

- Capital Market Services Licence [SC]
- Registered IUTA and IRPA [FIMM]
- Financial Advisers Licence [BNM]

### PRODUCTS AVAILABLE:

UT / Bonds / DPMS / Insurance

## SINGAPORE

### LICENCES HELD:

- Capital Markets Services Licence [MAS]
- Financial Adviser Licence [MAS]
- Exempt Insurance Broker [MAS]
- SGX Trading Member [SGX]
- CDP Depository and Clearing Agent [CDP]

### PRODUCTS AVAILABLE:

UT / Bonds / Stocks / ETFs / DPMS / Insurance

# Our Value Proposition

iFAST

## PRODUCT PROVIDERS

- One platform, multiple B2C and B2B customers
- No need to enter into individual distribution agreement and business relationship with customers

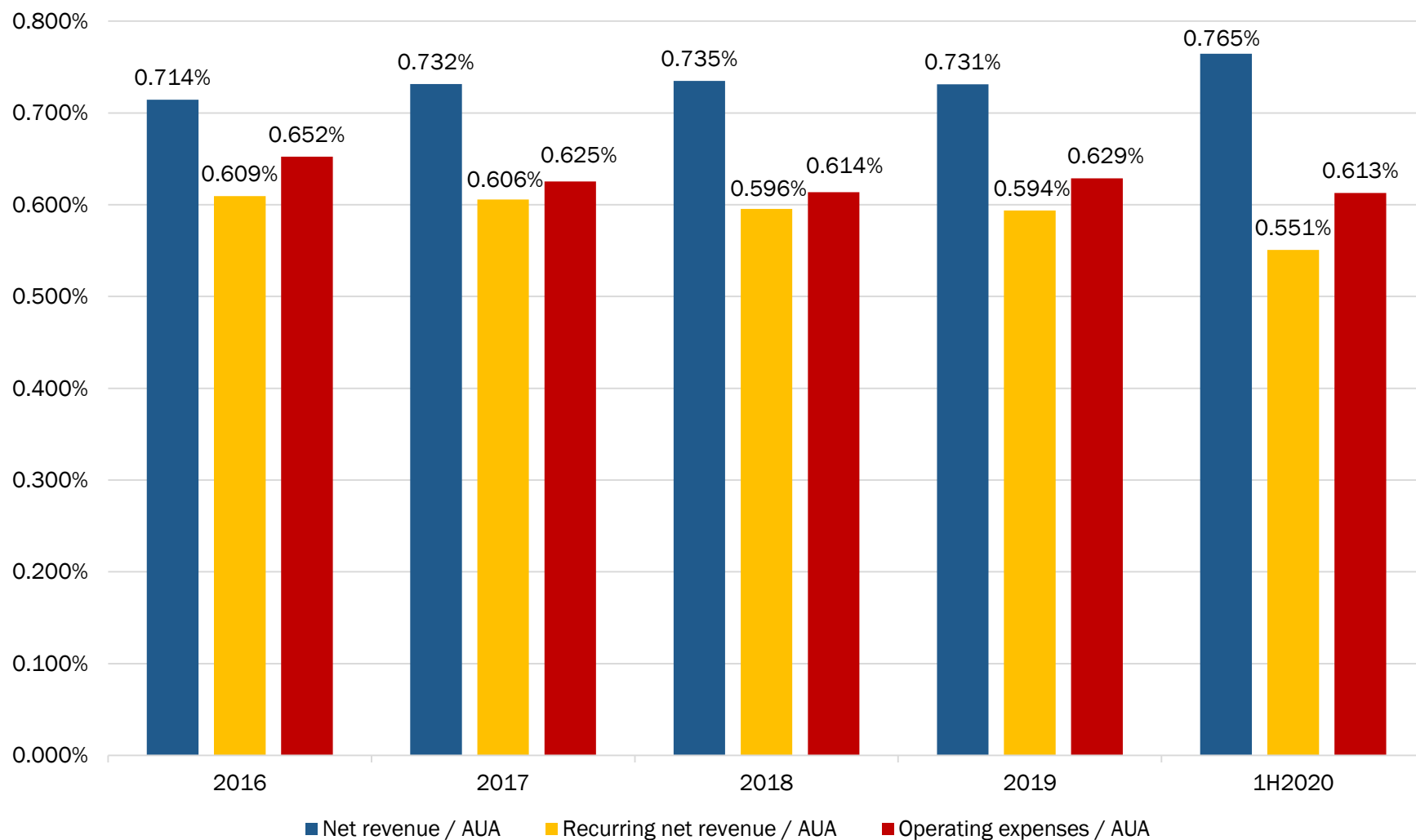
## B2B CUSTOMERS

- One platform, multiple investment products
- Adoption of recurring revenue business model based on Assets Under Administration (“AUA”)
- Platform performs efficient collection of fees
- IT solutions and backroom functions managed by platform
- Competitive fee-sharing structure
- Research into investment products
- Adoption of a wrap account which seamlessly combines multiple investment product categories into one account
- Online discretionary portfolio management services (DPMS)

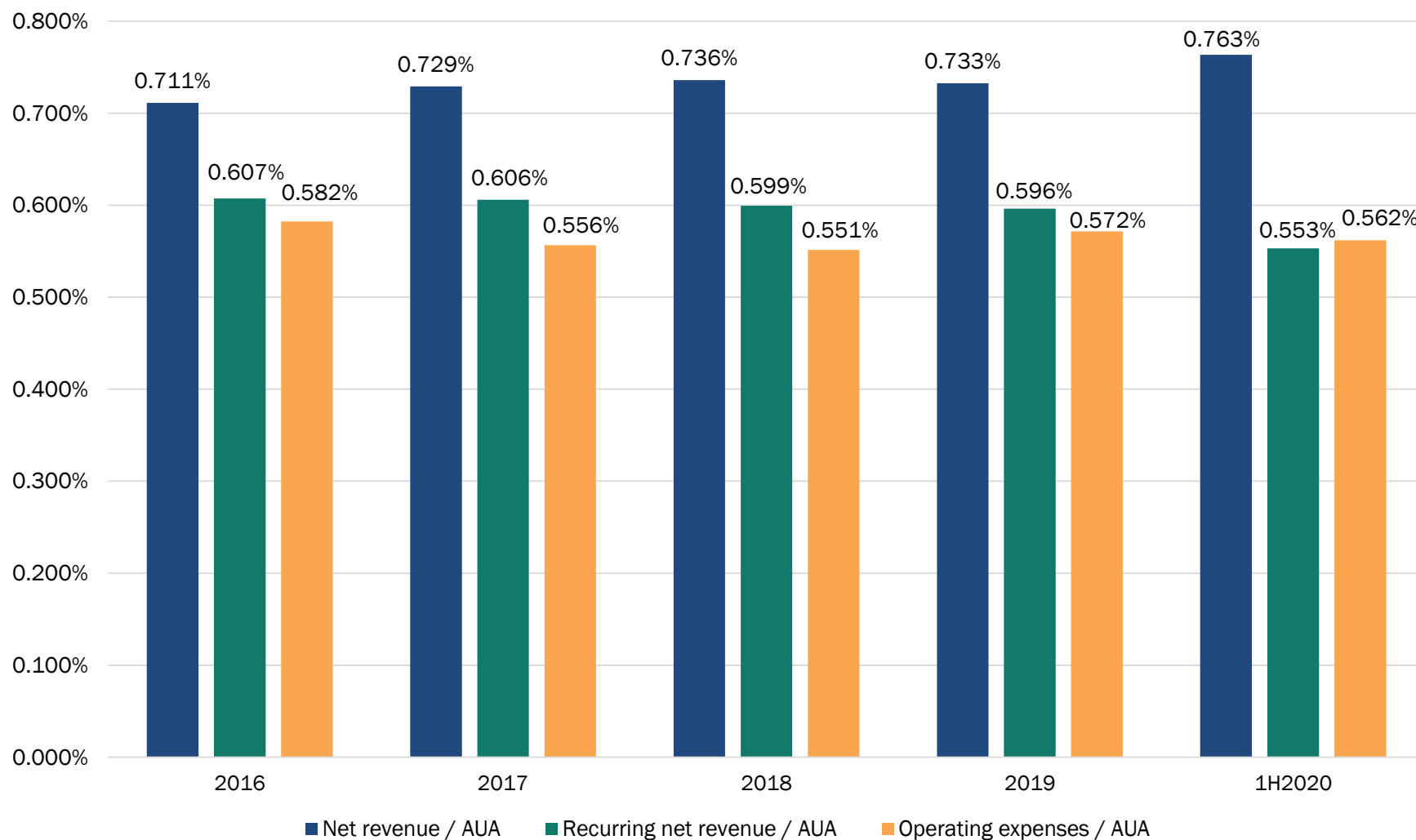
## B2C DIY INVESTORS

- One platform, multiple investment products
- Competitive and transparent fee structure Award-winning websites and mobile applications
- Availability of Investment Advisers if advice is required
- Online discretionary portfolio management services (DPMS)

# Net revenue and operating expenses as a ratio of average AUA for Group (including China operation)

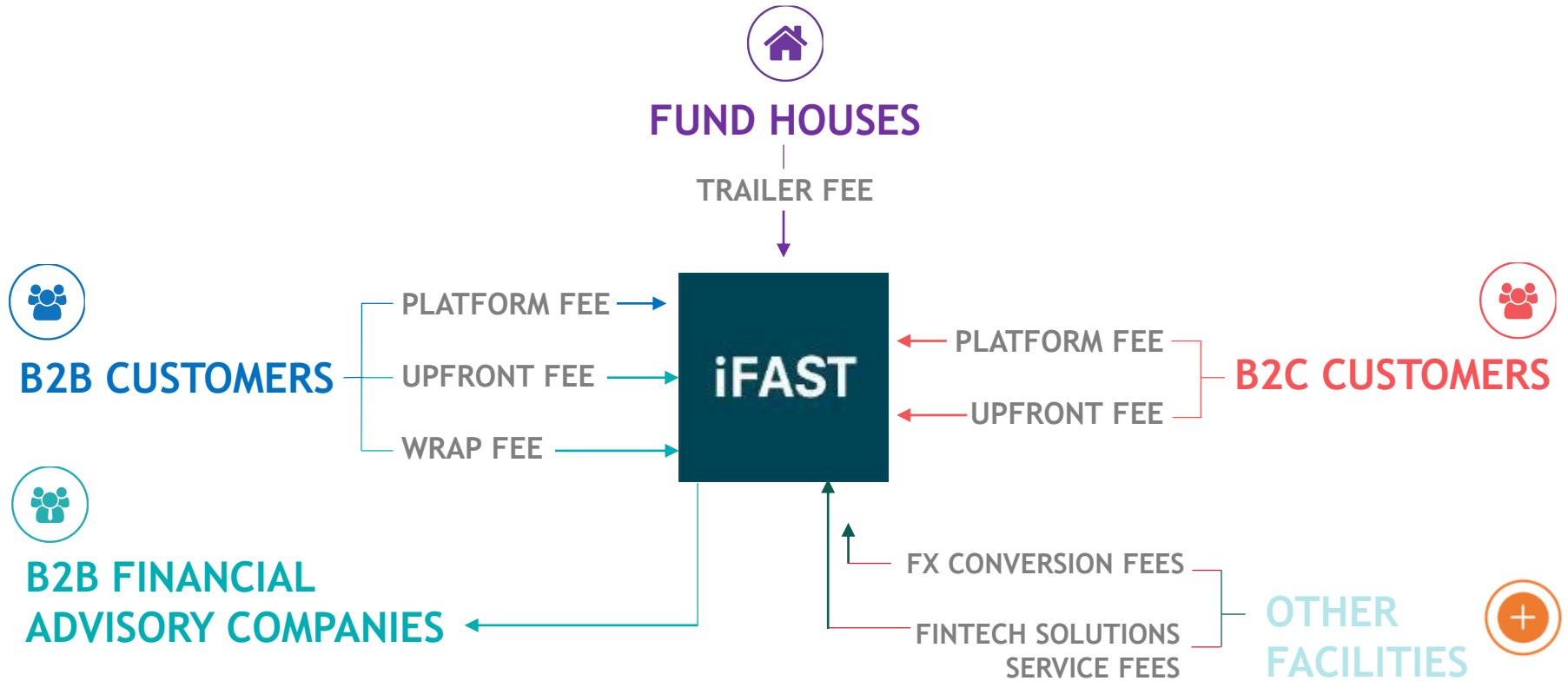


# Net revenue and operating expenses as a ratio of average AUA for Group (excluding China operation)





# Fees Illustration







TO HELP INVESTORS AROUND THE WORLD

INVEST GLOBALLY AND PROFITABLY

# THANK YOU!

For more information,  
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